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**University of Bath**

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## **Psychoanalytic theory, emotion and organizational paradox**

**Michael Jarrett and Russ Vince**

In this chapter we discuss the psychoanalytic foundations of organizational paradox. Our general argument is that psychoanalytic theories offer a framework for the study of emotions in organizations and for the paradoxical tensions arising from emotions. Like other scholars, we understand organizational paradox as ‘contradictory yet interrelated elements (dualities) that exist simultaneously and persist over time’ (Smith and Lewis, 2011: 387). These contradictory elements are two sides of the same coin (Lewis, 2000) and they persist over time because they are ‘impervious to resolution’ (Smith, 2014: 1593). The persistence of paradoxical elements means that they are *dynamic* (they are continuous, enacted over time, an integral part of ongoing processes) and *mutually reinforcing* (as part of ongoing processes, they are interrelated and irresolvable).

We develop an analytical framework to discuss three core constructs of psychoanalytic thinking: *unconscious emotions*, particularly their relationship with anxiety; *defense mechanisms*, which serve as protection against psychological threats and leave traces in the form of repetitive or compulsive behavior and routines; and ‘*the analytic attitude*’, which is used to gain awareness of unconscious emotions, and as the basis of interventions to balance the contradictions (or paradoxical nature) of defense mechanisms. We see these constructs at

work in three dimensions of the workplace: among leaders, within groups, and in the organization itself (See Table 1).

In the leadership dimension we contribute a new concept, the *paradox of authority*, to describe the tension between internal pulls and external roles (conscious and unconscious) that both support and undermine leadership. We explore the links between psychoanalysis and the group in the *paradox of belonging*. Finally, we show how psychoanalytic theory can help to comprehend the power relationships embedded in implicit structures and their effects in the *paradox of performance and organizing* (organizational change). This matrix of relationships is illustrated using vignettes from secondary sources (Fotaki & Hyde, 2015; Hodgkinson & Wright, 2002; Kilburg, 2004).

(INSERT TABLE 1 HERE)

## **Key Psychoanalytic Ideas**

### *Freudian Psychoanalysis and Psychodynamic Theory*

Various psychoanalytic theories can inform a discussion of paradox, including the writings of Jung, Klein and Lacan. However, we have chosen to discuss psychoanalytic foundations primarily in relation to the work of Sigmund Freud, in particular with reference to his idea of *the unconscious*.

*The unconscious, emotions and paradox:* The term unconscious is used as an analytic device to understand individual or group motives, perceptions and actions outside of normal awareness. Freud postulated that the unconscious was dynamic, continuously at work and

affecting behavior in complex, often contradictory ways. Unconscious wishes are always active, always present, always ‘pushing for release’ (Frosh, 2002: 13). ‘It is indeed an outstanding peculiarity of the unconscious processes that they are indestructible. Nothing can be brought to an end in the unconscious; nothing is past or forgotten’ (Freud, 1911/ 2015: 180). The unconscious asserts itself in slips of language, in dreams, through mechanisms of psychic defense (both personal and social). It helps us to recognize that the fantasies, dreams and imaginings we generate enable the growth of understanding as much as those things we accept as knowledge or truth (Craib, 2001).

Through the acknowledgement of unconscious processes, we gain access to ‘the artful science of our false senses of security’ (Phillips, 2014: 145) and to the varied interpretive possibilities arising from our (individual and collective) emotional responses to ourselves and others. Theories of unconscious processes and emotions are important to paradox studies as they help to explain, for example, how and why we might punish ourselves for others’ behavior, or why we turn other people into objects of hatred or derision to avoid our unacknowledged, hated self. To express this in a paradoxical way, ‘Freud was discovering how modern people endangered themselves by the ways in which they protected themselves’ (Phillips, 2014: 145).

The conflicting, contradictory and interdependent nature of the unconscious is a fundamental component of psychoanalytic thinking. While rarely described as paradoxical, the unconscious is a key theoretical construct for comprehending individual and collective emotion and paradox. For example, a core conflict in *Beyond the Pleasure Principle* (Freud, 1920) is the formulation and duality of life and death instincts. To express this paradoxically, ‘the aim of all life is death’ (Freud, 1920). In *The Ego and the Id* (1923), Freud developed a

structural theory of the mind, providing an account of conflicting yet interconnected relationships of the impulses of the 'id', the governance role of the 'ego', and both the critical and idealizing role of the 'super-ego'. The three are persistent and interdependent – one cannot do without the others.

*Paradox and unconscious defense mechanisms.* A second pillar of psychoanalytic thinking, the origin and role of defenses, rests on the premise that developmental experiences during childhood influence personal characteristics, the inner world, and subsequent adult neuroses. Raw emotions and desires are unconsciously regulated, repressed or deferred by defenses in order to protect the ego from pain, fragmentation, or from reality (Barsade et al, 2009; Baumeister, Dale & Sommer, 1998). Thus, there is constant tension in the inner world between the desire to fulfill unconstrained emotions on the one hand, and the need to maintain civility on the other.<sup>1</sup> As Schafer explains: 'Anxiety functions... as the *motive* for defense; more exactly, it is the ego's anticipation of a traumatic situation of which the preliminary anxiety reaction is a portent, together with the ego's function of avoiding unpleasure, that establishes the occasion of defense' (Schafer, 1983: p. 97, *our emphasis*).

Other analysts build on Freud's work to highlight the functioning of individual defense mechanisms: projection, introjection, identification and splitting (Freud, 1966; Segal, 1979). For example, paradoxical relationships can be found in processes of 'projection', defined as the disowned impulse or part of oneself that is projected onto another. Inner personal conflict is polarized, split off and ascribed to another object or person in order to defend against those

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<sup>1</sup>Contemporary psychoanalytic schools of thinking such as object relations and attachment theory have moved away from the 'drive-discharge' theory of Freud and focus more on the nature and quality of the relationship. However, most agree that childhood experiences form an important part of adult neurosis along with the tensions enacted through defenses.

aspects of the self that are too threatening to acknowledge (Petriglieri & Stein, 2012). A summary of defense mechanisms is illustrated in Table 2.

(INSERT TABLE 2 HERE)

Our view is that the tensions articulated in psychoanalytic theory, for example, that defenses both limit and facilitate action, help to explain the underlying dynamics of paradox in organizations. Smith & Lewis (2011) argue that a meaningful response to paradox is one that seeks ‘dynamic equilibrium’, or ‘the persistence of conflicting forces and purposeful, cyclical responses over time that enables sustainability... the system maintains equilibrium by adapting to continuous pulls in opposing directions’ (p. 386). In psychoanalysis, the continuous response to and holding of opposing forces not only allows dynamic equilibrium but also forms the basis for learning, development and tolerance of existential anxiety (Bion, 1967; Cramer, 2000; Segal, 1979; Valliant, 2000).

*The analytic attitude: engaging paradox.* We borrow the term ‘analytic attitude’ from Schafer (1983) to describe a state of mind that leaders, organizational actors or change agents might bring to the task of helping the individual, group or organization gain insight, learn and grow. Such an attitude can help to identify and collectively acknowledge the repetitive (perhaps compulsive) and contradictory enactments that mask unconscious conflicts and underlying paradoxes. It promotes the voicing of interpretations that draw attention to defenses and their possible origins. Such reflection and interpretation generates opportunities to collectively address and work with conflicts and contradictions. However, drawing attention to ongoing organizational defenses and encouraging multiple interpretations is a political act in that it involves intervening in prevailing power relations.

In psychoanalysis, the analytic attitude helps to create the relational space for the analyst to say things that the client cannot express but that are articulated via pre-verbal communication, identified through transference and counter-transference. Bion (1970) uses the metaphor of ‘the container’ and ‘the contained’ to describe this relational space. The container is represented by the analyst who, using her own emotions as data (‘the countertransference’), introjects the implicit emotions of the client. This serves to contain intense feelings – raw, primitive emotions that seek to be split off, projected and disowned by the client before they can be understood. Both the container and the contained, what Bion referred to as ‘an explosive force within a restraining framework’ (Bion, 1970), depend on each other; they are contradictory but interrelated, and ultimately they generate insight, even when it is not yet apparent that such insight is required.

Transference and counter-transference relations provide a link to past dangers, anxieties and repetitive defenses. Freud suggested that: “we soon realize that transference itself is merely an instance of repetition, and that this transference involves repetition of the forgotten past ... We must therefore expect that the patient will yield to the compulsion to repeat – which now takes the place of the impulse to remember – not only in his personal relationship to the physician, but in all other activities and relationships taking place in his life at the same time” (Diamond, 2008: 358, quoting Freud, 1914/2006).

Here, we are not concerned with the patient, but rather with the patience required in organizational settings to identify and engage with impulses to silence contradictory voices, to repeat destructive practices, and deny the persistence of repressive regimes. Our argument is that the shared interpretation of underlying dynamics draws attention to mutually

reinforcing contradictions. “Interpretation is more than uncovering; it is discovering, transforming, or creating meaning too. What it refers to may not have been ‘all there but hidden’ prior to its utterance...(and) by introducing the new, one may throw much previous knowledge and understanding into a new light” (Schafer, 1983: 87). A persistent question for people within organizations is – what is being interpreted? At its simplest, interpretation involves identifying repetitive patterns of thought and action that potentially signify resistance, projective narratives, or habits and attachments to particular ways of thinking, being or working. However, we know that such reflection is never simple. For example, reflection on what is problematic within prevailing relations of power tends to mobilize those power relations against processes of reflection (Päsilä and Vince, 2015).

These three concepts: unconscious emotions, defense mechanisms and the analytic attitude, represent the core of paradox and the psychoanalytic enterprise. In this schema, the process of ‘working through’ paradox is not to resolve it but to increase the capacity, tolerance and ability to hold the polarities, messiness and uncertainty that are integral to organizational life.

### **Psychoanalysis, paradox and organizational life**

Psychoanalytic theories offer a framework for the study of emotions in organizations and for the paradoxical tensions arising from emotions. Emotions are integral to authority, power and institutional relations. They serve to both reinforce and to undermine prevailing dispositions and established structures. Emotions seep into and out of organizations; they help to contain and constrain our experience; they can be owned and disowned, projected, deeply-felt or ignored (Voronov & Vince, 2012; Voronov, 2014). As organizational actors we may assume that our decisions are measured and reasonable. However, emotions invariably influence,



infuse and disrupt our best laid plans or preferred problem-solving techniques, as well as the promises we make to ourselves to remain calm and stay in control. Therefore, emotions supply the evidence we need to comprehend our organizational experience, and (paradoxically) this is in part what makes us ignore them.

We now apply each of the psychoanalytic constructs we have identified to three layers of the organization – leadership, groups, and the organization – in order to illustrate paradoxes of authority, belonging, performance and organizing.

### *Leadership and the paradox of authority*

Leadership suffers from ‘a widespread social addiction to positivity’ (Collinson, 2012: 89). It is primarily represented as a set of positive capabilities aligned to improvements in individual behavior, knowledge and practice. This idealization of leadership (both in theory and practice) provides a one-sided view of leadership dilemmas. We know, both from published accounts as well as our own experience, that leaders also can misuse, manipulate, avoid or ignore their authority and responsibilities (Kets de Vries et al, 2013). Studies of CEO hubris (Chatterjee & Hambrick 2007), leadership derailment (Kaiser, Hogan & Craig (2008) and the dark side of leadership (Vince & Mazen, 2014) illustrate some of the tensions facing people in leadership positions.

A psychoanalytic approach can provide a deeper understanding of the paradoxical nature of leadership and authority (Kets de Vries et al., 2013; Kets de Vries & Miller, 1985). We argue that competing pulls between the inner world and external demands is at the core of a *paradox of authority*, whereby the anxiety that unconsciously drives behavior leads to the

existential danger that one is trying to avoid, despite conscious acts to respond to external reality. The sources of these contradictions are multiple, but we focus on two: *self and other relationships*, and *the intra-psychic dynamic of managing oneself*. Our conceptualization of leadership takes into account the interaction of social and intra-psychic dynamics in individuals' success (or failure) in taking up roles as leaders (DeRue & Ashford, 2010; Petriglieri & Stein, 2012; Vince & Mazen, 2014). We have coined the term *paradox of authority* to describe a form of leadership self-sabotage that fails to recognize the simultaneous and contradictory pulls between self and other, and between the internal world and external reality.

The inner world is the product of past and transferal experiences, now forgotten or repressed, that result in a tendency to repeat conflictual relationships (Kets de Vries et al, 2013). The increasing scope and complexity of organizational life fosters anxiety and exacerbates a tendency to enact compulsive patterns. The relationship between self and other has at least two parts: what others unconsciously do to the leader, and what she or he does to them. First, the leader is subject to pulls, expectations and projections that followers enact. Freud (1921) noted that members of a group psychologically invest in the leader as an idealized version of themselves. Mechanisms of projective and introjective identification suggest that leaders act out roles in response to their followers' unconscious wishes (Bion, 1961). Leaders are subject to complex emotions that are not only to do with how they feel but how others feel about them, and how these different emotions contribute to unconscious role behavior and action.

For example, Gabriel (1997) highlights the wide range of projections that result from 'meeting God' (the Chief Executive Officer), a leader cast as both villain and hero by different people in the same organization. Conversely, leaders can act out their own

projections and fantasies in relation to their team members. As noted by Petriglieri & Stein (2012), ‘Since leaders function as sources of meaning making, the unconscious use of others as recipients of unwanted aspects of the self may become a collective *modus operandi* that damages the organization and may even cause its destruction’ (1223). Thus, personal authority can be thwarted by unconscious projections (in either direction) that are detrimental to leadership.

*Emotion:* The second part of the *paradox of authority* is the intra-psychic task of managing the self. Stein (2005) illustrates the complexity of the task by referring to Shakespeare’s *Othello*, inviting us to explore the inner demons of Othello’s psychic world as a leader, in which he is gripped by envy, jealousy and self-deception. Lapierre (1989) is more explicit, describing the competing tensions in terms of relative potency. “Leaders must cope with feelings of impotence and omnipotence that accompany and may derail the attempt to exercise power” (Lapierre, 1989 p.177). He argues that these feelings develop through childhood experiences: those troubled by (unconscious) impotence develop a sense of helplessness and vulnerability, whereas feelings of omnipotence go to the other extreme, driven by fantasy and delusion. Some leaders oscillate between the two. It is only when the extremes are eliminated, following the realization of the leader’s limitations and fragility, that he or she can exercise leadership appropriately, without excessive vulnerability or delusion.

A similar theme is the centerpiece of Schneider’s (1999) *The Paradoxical Self*, where he elucidates the nature of self-contradictions. Drawing on the work of Kierkegaard, he sets forth his ‘paradox principle’, which assumes that the human psyche rests on a continuum of being restrictive (impotence) or expansive (omnipotent), the *dread* of either of these extremes evokes dysfunctional responses, and that confrontation and integration is needed to

encourage an ‘optimal’ (functional) response. The book shows that the tensions between the restrictive or expansive self in response to the inner and external world yields a range of dysfunctional responses from mild neurosis to severe schizophrenia. Referencing Freud and Jung, he calls these unconscious dynamics ‘the return of the repressed’. Thus, ‘the more one represses the expansive... the more one is likely to experience its return’ (Schneider, 1999: 193). Both parts – self and other relationships, and managing the self – take attention away from the external task. However, if the source of anxiety is left unattended it may result in unconscious defenses and dysfunctional behaviors.

*Defenses:* The emotional struggle between the internal and external worlds gives rise to a paradoxical dilemma and its (dysfunctional) release through projective and primitive defenses (Kernberg, 1994; Klein, 1975). For example, Petriglieri & Stein (2012) show how the maintenance of a leader’s identity in the Gucci family led to destructive, ‘toxic’ relationships between family members as well as senior staff, through the process of projective identification and introjection. This created contradictions in the leadership behavior of Gucci and his son Aldo, whose grandiose public selves were in stark contrast to their misdemeanors (cheating and lying) as well as their humble origins. They projected unwanted aspects of themselves onto others, leaving a legacy of family rivalry that ultimately led to the downfall of the Gucci empire.

*Awareness and intervention:* The *paradox of authority* can be acknowledged and worked with by raising leaders’ awareness of their unconscious inner conflicts and by helping the integration of their polarities. Interventions such as organizational role analysis (Long, Newton & Sievers, 2006) or psychoanalytically informed coaching are designed to support such awareness. Jarrett (2004) illustrates the paradox of authority in the case of an executive

who had recently been promoted to a senior leadership position. His inner conflict to ‘stay the same’ rather than to boast about his increased status initially made him ineffectual in the new role. Erring on the side of impotence, the artificial constraints he placed on himself ultimately led to poor team performance. Once the contradiction between his inner and outer worlds was revealed, he was able to take on the authority of the role and release the tensions within the management team (Jarrett, 2004: 251-252). Similarly, to address the pulls and pushes of restrictive and expansive impulses, Schneider (1999) suggests that ‘dynamic equilibrium’ requires confronting the paradox (awareness and intervention) and integration for a healthy, functional response. We illustrate some of these concepts in the vignette below.

#### Vignette 1: The paradox of authority

Ron was frustrated as interim President of the north east region. On one hand he could see all the problems that needed attention, and the carnage they would leave once tackled. On the other, the boss had not given him the authority to get on with it or any reassurance that his position would be made permanent. He felt the company was taking advantage of him. So when his coach asked in what ways, he replied: “Let me count the ways. I’m responsible for this place and what happens here, but I have to ask permission to do almost everything. I’m working longer hours than ever, with more time away from my family, my religion, and the things I like to do. I’m doing all this for less than a significant salary increase, and these guys cannot even tell me whether they’re going to give me the job. It makes me feel like a patsy...just a big jerk” (Kilburg, 2004, p246).

The next question drew an unexpected response. “Does this situation remind you of anything you have faced before?” Ron reflected. After a while he revealed a personal account of his

mother's distress when his grandfather died, when he was only six years old. In short, he recalled how his mother's affections for her father led to her (and his father's) loyalty being taken advantage of 'pretty badly'. Further enquiry from the coach helped make the link. "Oh, that is easy now that I've remembered the story. I really hate the feeling of being taken advantage of. I cannot stand it at all...I feel like I just want to quit and go elsewhere." (Kilburg, 2004: 248).

This abbreviated account shows a leader struggling with complex emotions. Initial denial of his feelings mixed with anxiety partly accounts for his anger, where he is ready to 'act out' his repressed anger and quit. However, the intervention of a psychoanalytically informed coach with a simple question helps to identify a previous pattern and unconscious feelings. Ron, in the full account, reluctantly shares his shame, resentment and vulnerability by recounting a story of betrayal and hurt that he connects with his current situation as a leader. The discussion led to talking through strategic options and to a conversation with the CEO. As Ron said, now it means, "I can steer clear of making some bad choices." He went on to become the regional president and made the necessary changes for the company instead of unconsciously sabotaging himself and the organization.

### *The paradox of belonging in groups*

Groups provide a fundamental unit of analysis in social institutions and act as a link between individual behavior and the collective 'group as a whole' (Wells, 1990). However, they are inherently paradoxical: 'The simultaneous presence of opposite and contradictory forces and the repetitious 'stuckness' that often accompanied these forces led us to consider that what

we were observing was the expression of the paradoxical nature of group life' (Smith & Berg, 1987: 62).

*Emotions:* Group-level contradictions can derive from many places. For example, tensions can be embedded from the inception of a group as a result of members' ambivalence about being part of it. Both exclusion from the group and the desire to show dominance in a new (or existing) group create anxiety. The ego's drive for inclusion, control and affection can evoke unconscious defenses and inform group sentiment (Schutz, 1958). Smith and Berg (1987) refer to this dilemma as '*the paradox of belonging*': "Paradoxes of belonging often raise actors' defenses, intensifying conflict, polarization, and tribalism" (Lewis, 2000: 769). These unconscious emotions play an important but hidden role in the group and can lead to collective actions that go beyond group consciousness. These implicit affects move through the group via projective identification, leading to a "process by which a person or group influences the emotions or behavior of another person or group through the conscious or unconscious induction of emotion states and behavioral attitudes" (Schenewolf, 1990:50).

*Defenses:* Unconscious sources of paradox in groups arise from defenses of splitting, projective processes, role specialization and the formation of sub-groups (Smith & Berg, 1987). To add to the complexity, these defense mechanisms are reciprocated, and thus operate at the interpersonal as well as the group level. So, depending upon the personal defensive valences of its members, unconscious emotions can become widely contagious or end up deposited with one member of the group who is made into a scapegoat for collective failures (Bion, 1961; Smith and Berg, 1987; Wells, 1990).

Bion (1967) captures contradictory tensions within groups by drawing attention to the duality in their modes of thinking. He distinguishes between ‘basic assumption’ and ‘work’ groups. The former are primarily driven by psychological defenses that are collectively shared. In work groups, the completion of tasks, learning and reflexivity are the *modus operandi*. In cases where the negative notion of group defense predominates, the group becomes ‘stuck’ in a dysfunctional spiral whereby collective shared defenses are represented by pulls of excessive ‘dependency’ and irrational conflicts in the form of ‘fight/flight’ or a pseudo-intimacy in the group that Bion (1967) refers to as ‘pairing’. These tensions may be harnessed in what he calls ‘the specialized work group’ (Bion, 1967), whereby a defensive orientation that is split off to a sub-group may be used to fulfil a wider function on behalf of the system as a whole. He cites as an example the use of the army as a vessel to contain violence on behalf of wider society, which projects its own aggression onto the container of the specialized group.

The existence of contradiction, conflict and opposition create (unacknowledged) anxiety, which groups seek to resolve through defensive strategies. However, in such cases the paradoxical nature of group life reasserts itself, since by eliminating one side of the problem, the connectedness with the opposing force is lost, and thus the paradox cannot be identified, explored or contained (Smith & Berg, 1987). Hence the paradoxical lens, like the psychoanalytic approach, acknowledges and requires that both the functional (work group) and dysfunctional (basic assumption group) are included in any analysis or group intervention.

*Awareness and intervention:* Calling attention to paradox that groups habitually and unconsciously re-enact can be achieved by taking an ‘analytic attitude’. The internalization,



through introjection and feelings of counter-transference, of the group's projective forces offers information about what might be hidden or unexpressed. These feelings provide the basis for interpretive intervention that seeks to explore the doubts that inform, sustain and recreate the life of the group.

Interpretive intervention may take the form of a hypothesis. According to Borwick (2006) "hypotheses are conjectures, guesses, hunches... Unlike opinions, which are fixed and tend to induce defensive responses if the opinion is challenged, hypotheses are ephemeral." Diamond (2008), for example, provides an account of an interpretation to a group of medical doctors. His task as an organizational consultant was to provide an organizational narrative that touched on the psychological (internal and subjective) and social structures (external and objective) of their everyday realities. Using countertransference in his role as consultant, his insights threw light on 'repetitive patterns, themes and points of urgency' (Diamond, 2008: 357). Once the group acknowledged these patterns (which did not come easily) they were able to change. Initially, it took a brave medic to speak out and admit: "You got it right - it's time we dealt with it" (Diamond, 2008: 357); and to unravel the fear of rejection that prevented them talking about change (Smith & Berg, 1987). Features of the paradox of belonging are illustrated in the following vignette.

#### Vignette 2: The paradox of belonging

The top management team of Beta Co. faced their biggest strategic challenge yet: how to respond to digitalization and the seismic shifts in the publishing industry. Fearing 'cognitive inertia' and 'strategic drift', they invited in 'scholarly consulting' to help facilitate a strategy process workshop (Hodgkinson & Wright, 2002). As part of the diagnostic phase of

interviews, the authors found the top team was overwhelmed with high levels of stress, anxiety and uncertainty that took the form of defensive avoidance strategies. Defenses, both conscious and unconscious, included scapegoating (shifting the blame onto individuals), denial and polarization of the current reality, and bolstering the current strategy (idealization), which most agreed was failing. There was also the challenge of individual members not speaking out in the group, leading to a false agreement inconsistent with private interviews. These were exacerbated by the actions of the CEO and founder, who enacted a high degree of control in the workshop in response to the firm being out of control. She would withdraw from the process to divert the focus away from her inability to control the long-term destiny of the company. The final outcome was the failure of the intervention.

The authors concluded: "...it is clear that the exercise was undertaken in an organization whose inner context was non-receptive: the psychodynamic basis of the behavior of the CEO and her relationship to her team of senior managers militated against our best effort" (Hodgkinson & Wright, 2002: 972). They continue: "Change agents must remain ever conscious of the fact that interventions in organizations provoke a complex inter-play involving: (1) a range of individual and collective psychological defense mechanisms (the paradox of belonging) (2) organizational politics, and (3) power." (Hodgkinson & Wright, 2002, p974).

### *The paradox of performance and organizing*

The application of psychoanalytic theory to organizational studies throws light on how emotions are experienced in the collective through three specific dynamics: anxiety in the system, social defenses, and psychoanalytic organizational consultation. These are set in the

context of organizational change and often generate paradoxical tensions. For example, Diamond and Adams (1999: 246) studied a Department of Public Welfare that espoused a care ethic, while at the same time unconsciously undermining ethical behavior ('The more activity and talk we generate about ethics; the less ethical behavior we get'). In particular, they identified 'persecutory anxiety' as "a rather common collective experience of participants in contemporary organizations. Executives and employees may find themselves operating in an unfriendly and, at times, hostile work environment, often characterized by a rhetorical patina of pleasant and collegial interaction" (252). Luscher & Lewis (2008), acknowledge that periods of change, "spur confusion, anxiety and stress that impede, or even paralyze, decision making" (Luscher & Lewis, 2008: 221). Anxiety and unconscious defenses tend to be associated with the emotional impact of organizational change (Lewis, 2000; Vince & Broussine, 1996).

*Power and emotions in organizations:* We propose that, unlike in-group or interpersonal settings, emotions in organizations are structurally embedded and that there is an inevitable interplay between emotions and institutionalized power relations (Voronov and Vince, 2012). The connection between affect and power in organizations has attracted increasing interest in psychosocial studies (Kenny and Fotaki, 2014), to which scholars have applied a constellation of inter-related theories. Research from this perspective is concerned with 'how subjectivity engages with broader social and political forces, and how psychic processes contribute to their reproduction and alteration' (Kenny and Fotaki, 2014: 19). For example, Prins (2010) used systems psychodynamic theory to look at multiparty collaboration within the domain of foster care. She showed how 'the objectives of this project moved from finding the best solution for foster children and their parents involving all relevant stakeholders, to organizing a minimal form of collaboration between four foster care services in two specific

areas' (Prins, 2010: 305). The organizations involved mobilized a 'false consensus' driven by the desire to remove asymmetries of power and resourcing, reduce the emotional complexity of stakeholders' needs, and avoid the uncertainty of new ways of working. Collective emotional responses may arise from the tensions between emotions and perceptions surrounding fairness, equity or ethics in organizations.

*Social defenses in organizations:* In such settings, the social defenses created in organizations represent attempts to manage anxieties and fears. Emotions operate as an organization-wide phenomenon; groups of actors develop mechanisms to collectively defend themselves from the anxieties inherent in the system. For example, Wasko and Fotaki (2005) examined the function of human resources (HR) in the engineering industry, and found that 'the psychoanalytic lens applied to the HR function highlights its role as a container for the organization's inability to manage human elements without splitting and separating negative from positive elements within the organization' (Wasko and Fotaki, 2005: 673). This revealed the contradictory nature of organizations, and the different emotional pulls that reside within them, in addition to the 'specialized' container role which serves to maintain dynamic equilibrium (Smith & Lewis, 2011).

#### *Awareness and intervention*

Working with psychoanalytic theory in organizations means understanding the role that the unconscious plays within the system, the parallel processes between the client and the consultant, and the organizational power relations that impact on change. The analytic task is to bring to light the anxieties, repetitive patterns, and projective relationships that remain implicit and that can sabotage leadership, group effectiveness or cohesion, as well as

organizational functioning. Opportunities for interpretation provide organizational actors with cues and signals about unconscious processes, but are by no means sufficient; an intervention also has to help them to understand the origins of these dynamics by noticing and labeling examples of ‘here and now’ interactions, and by exploring roles, relationships, fantasies and unacknowledged narratives that infuse the corpus of the organization.

For example, Diamond & Allcorn (2003) give a detailed description of an intervention in an academic institution where unconscious dynamics characterized relations between the Dean (central power), a head of department (made a scapegoat for all the ills in the department), a critic of the head of department, and the once-idealized consultants who were denigrated once they did not recommend what Faculty wanted (removing the head of the department). In taking an analytic attitude, the authors unravel the institutional power relationships between the Dean’s office and the various departments (not just the one under focus), the resentment of the critic who felt underappreciated, and the use of the consultants as the ‘container’ of all the angry feelings and frustration that faculty did not feel safe enough to aim at the Dean. “Transference and countertransference transport members’ anxieties and their concomitant defensive and regressive actions (such as splitting and projection) into workplace roles and relationships that shape the intersubjective structure and meaning of organization experience” (Diamond & Allcorn, 2003: 509). Understanding these unconscious relationships provides insight into regressive forces within organizations. The vignette below illustrates these ideas further.

### Vignette 3: The paradox of performance and organizing

A psychoanalytic lens on the paradox of organizational change is illustrated by Fotaki & Hyde (2015) who identify a consistent and institutionalized pattern of ‘organizational blind spots’ that mask the underlying problem and are driven by psychological and social defenses of splitting, blame and idealization. They argue that organizational blind spots explain ‘how defense mechanisms enable organizations to remain committed to unworkable strategies’.

The concept elucidates an alternative and psychoanalytical explanation of the phenomenon of escalation of commitment by showing the interplay of individual actions, unconscious motives and collective defenses. The authors add that the concept ‘does not merely refer to a pervasive state of denial of reality but is about the institutionalization of such denial through organizational rituals, routines and storytelling’ (Fotaki & Hyde, 2015: 447). They illustrate the defense mechanisms by drawing upon three examples within the NHS (National Health Service). We highlight one of the cases, which examined mental health care in a specialist ward.

There were a number of issues. First, the ward was always over capacity, taking in 26 patients for 22 beds. Second, the nursing staff had no control over patient admissions, which meant they often had to send people home to wait. Third, the stress of the work and the concern for the patients and public led to defensive “splitting, whereby madness remains with the patients and sanity with the staff” (Fotaki & Hyde, 2015: 453). Evidence of the managers blaming inefficiencies on the staff, who in turn blamed the patients, reinforced the splitting and scapegoating. Patients were falsely accused of stealing, being greedy, selfish and over-demanding. Some patients became aggressive or non-cooperative, some were restrained or isolated as staff seemingly took control of the ‘problem’, whereas good patients ‘toed the line’ (Fotaki & Hyde, 2015: 453). In short, the ward created a ‘highly charged’ climate leading to an organizational system of reinforced anxiety, defenses and a culture of toxicity.

## Conclusion

In this chapter we have explored constructs from Freudian psychoanalytic theory that shed light on the unconscious dynamics at work in organizations, alongside examples illustrating how organizational paradox can help to transform our understanding and practice of leadership, and relationships in groups and organizations. In our view, psychoanalytic theory explicates underlying emotions and defenses, as well as informing potential interventions to work with paradox. It does so in three particularly compelling ways. First, an interest in identifying unconscious processes and dynamics, both inter-personal and social, brings contradictions into public view. Such contradictions are structural and structuring (Clegg, Cunha and Cunha, 2002), they influence norms and routines, and they enable agency. They are also behavioral and inextricably linked to self-other relations. Attempts to resolve contradictions reinforce self-limitation and ‘stuckness’ (Vince and Broussine, 1996) at the same time as they mobilize potentially transformational interpretations of persistent tensions. Psychoanalytic theory helps us to perceive and engage with how organizations create roles, relations, practices and structures that are designed to achieve one aim but may end up mobilizing its opposite.

Second, psychoanalytic theory reveals the micro-processes involved in the interplay between emotions and institutionalized power relations (Voronov and Vince, 2012). It elucidates the key question of how and why collective emotional dispositions come to dominate in specific organizational contexts (Vince and Mazen, 2014). Social defenses are created consciously and unconsciously in attempts to manage everyday anxieties and fears, and yet they somehow legitimize that anxiety in ways that diminish the desire to act. Organizational roles can be

understood not only through patterns of authority and influence, but also through processes of projection that may turn others into versions of the hated self (Petriglieri and Stein, 2012).

Psychodynamic approaches offer insights into the dynamics that tie emotions and power relations together, because emotions are central to the social and political analysis of organizations (Kenny and Fotaki, 2014).

Third, psychoanalytic approaches encourage leaders and followers to reflect on their organizational experiences, especially the emotional complexity that both energizes and disempowers their everyday organizational life. Those things that our emotions try to make us avoid can provide essential organizational knowledge in our search for change. Shedding light on issues that are defended against or avoided creates a potential for transformation, particularly because organizations are environments where nobody wants to disrupt ‘the way things are’. By combining psychoanalytic theory with organizational paradox theory, organizational actors, in their various combinations, are able to recognize and engage with the emotion-filled, highly political and relentlessly complex organizational environment in which their work is done. Recognizing this legitimizes reflection and interpretation, and supports the emergence of political processes that push through individual and social defenses, and are ultimately more collaborative and inclusive.



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**Table 2: A selection of unconscious defense mechanisms**

| <b>Defense</b>            | <b>Description</b>  |
|---------------------------|---|
| Repression                | Blocking unpleasant experiences from memory   |
| Denial                    | Refusing to accept an unpleasant reality  |
| Splitting                 | The isolation and separation of emotional experience whereby ‘good’ ones are retained and ‘bad’ ones are cast off               |
| Projection                | Attributing personal short comings to others  |
| Introjection              | The process whereby the map of the world ‘out there’ becomes the map of the ‘inner world’ and it becomes internalized.          |
| Projective identification | The projection of one’s disowned self as: a) a form of communication b) as a form of control                                    |
| Transference              | Re-enactment of previous relationships form the past to current people and events   |
| Counter transference      | A cycle of projective and introjective identification as the basis of intrapsychic communication between analyst and analysand. |

*(Table adapted from Smith and Berg, 1987; Jarrett, 2004; Lewis, 2000; Vince & Broussine, 1996.)*



**Table 1. A summary of psychoanalytic foundations and paradox for leadership, groups and organizations**

|                                   |  | Organizational Juncture  |  |  |
|-----------------------------------|--|--|--|--|
|                                   |  | <i>Leadership – paradox of authority</i>   | <i>Groups – paradox of belonging</i>   | <i>Organizations – paradox of performance and organizing</i>   |
| <b>Psychoanalytic Foundations</b> | <i>Unconscious Emotions and anxiety</i>  | Anxiety, loss, aggression, hedonism, depression, ‘inner contagion’.<br><br>e.g. Freud, Stein, 2005; Klien, Klein et al, 1999; Vince & Mazen, 2014  | Ambivalence, need to belong, fight flight, dependency, fear of exclusion, need to control<br><br>e.g. Schutz, 1958; Smith & Berg, 1987; Baumaister,)   | Persecutory anxiety, confusion, fear & stress<br><br>e.g. Vince & Mazen, 2014; Luscher & Lewis, 2008; Voronov & Vince, 2012; Kenny & Fotaki; Wasko & Fotaki, 2005)   |
|                                   | <i>Defenses mechanisms against anxiety, repetitive patterns and contradictory actions</i>                | Denial, splitting, projection, phantasies, projective identification, introjection, transference, regression<br><br>e.g. Lewis, 2000; Kets de Vries et al, 2013; Petrilligeri & Stein, 2012; Vince & Broussine, 1996 | Basic assumptions, splitting, scapegoating, role specialization, projective identification, valencies, polarization/tribalism among group members.<br><br>e.g. Smith & Berg, 1987; Bion, 1961; 1967; Wells, 1990 | Denial, splitting, emotional detachment, social defenses, organizational toxicity, emotionally embedded power relationships and ‘organizational blind spots’<br><br>e.g. Brown & Starkey, 2000; Stein, 2007; Ashforth & Reigen, 2014; Menzies, 1990; Fraher, 2004; Fotaki & Hyde, 2015 |
|                                   | Awareness and intervention: The ‘ <i>analytic attitude</i> ’ – throw light on patterns. Keep ‘both/and’. | Container-contained, ‘reverie’, psychoanalytic informed coaching, use of countertransference<br><br>e.g Bion, 1961, 1970, Jarrett, 2004; Kilburg, 2004; Long et al, 2006.  | In addition: note repetitive patterns in groups, clinical ‘hypothesis’ testing, interpretations<br><br>e.g. Bion, 1961; Diamond & Adams, 1999; Hodgkinson & Wright, 2002.  | In addition: Examine parallel process as a means to craft an intervention.<br><br>e.g. Wasko & Fotaki, 2005; Prins, 2010; Diamond & Allcorn, 2003)   |